

105TH CONGRESS
1ST SESSION

H. R. 1490

To amend the Internal Revenue Code of 1986 to reduce the capital gains tax on individuals and to index the basis of assets of individuals for purposes of determining gains and losses.

IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 1997

Mr. COOKSEY introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to reduce the capital gains tax on individuals and to index the basis of assets of individuals for purposes of determining gains and losses.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. REPEAL OF RESTRICTIONS ON TAXPAYERS**
4 **HAVING MEDICAL SAVINGS ACCOUNTS.**

5 (a) REPEAL OF NUMERICAL LIMITATIONS AND TER-
6 MINATION.—

7 (1) IN GENERAL.—Section 220 of the Internal
8 Revenue Code of 1986 (relating to medical savings

1 accounts) is amended by striking subsections (i) and
 2 (j).

3 (2) CONFORMING AMENDMENT.—Section
 4 220(c)(1) of such Code is amended by striking sub-
 5 paragraph (D).

6 (b) REPEAL OF RESTRICTIONS ON INDIVIDUALS
 7 WHO MAY HAVE MEDICAL SAVINGS ACCOUNTS.—

8 (1) IN GENERAL.—Section 220(c)(1)(A) of the
 9 Internal Revenue Code of 1986 (defining eligible in-
 10 dividual) is amended by inserting “and” at the end
 11 of clause (i), by striking , “and” at the end of clause
 12 (ii) and inserting a period, and by striking clause
 13 (iii).

14 (2) CONFORMING AMENDMENTS.—

15 (A) Section 220(b) of such Code is amend-
 16 ed by striking paragraph (4) and by redesignat-
 17 ing paragraphs (5) and (6) as paragraphs (4)
 18 and (5), respectively.

19 (B) Section 220(c) of such is amended—

20 (i) by striking subparagraph (C) of
 21 paragraph (1), and

22 (ii) by striking paragraph (4) and by
 23 redesignating paragraph (5) as paragraph
 24 (4).

25 (c) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), the amendments made by this section
3 shall apply to months beginning after the date of the
4 enactment of this Act.

5 (2) COMPENSATION LIMIT REPEAL.—The
6 amendments made by subsection (b)(2)(A) shall
7 apply to taxable years beginning after December 31,
8 1996.

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